

## **Enterprise Funds**

### **Sewerage and Drainage Operating Fund**

#### **2003 Cash Balance Statement**

The beginning 2003 cash balance of \$61.3 million is 8.5 percent below the estimate for 2002. Although significant cash balances allowed the division to maintain 1998 rates through 2002 with no across-the-board increase, the 2003 estimate includes a rate increase of five percent.

#### **2003 FUND BALANCE SUMMARY**

Cash Balance (January 1, 2003)	\$ 61,349,424
Plus Estimated 2003 Receipts	138,274,714
Total Estimated Available Resources	<u>\$ 199,624,138</u>
Less 2003 Recommended Operating Budget (Sewers/Drains)	(150,876,799)
Less 2003 Recommended Operating Budget (Administration)	(565,858)
Projected Available Balance (December 31, 2003)	<u><u>\$ 48,181,481</u></u>

#### **2003 Revenue Summary**

User fees completely support the operations of the Division of Sewerage and Drainage. Section 120 of the City Charter empowers the City Council to establish separate sewer and water rates in an equitable manner and in such amounts as will fully cover the costs of services. Rates include the cost of operations, maintenance and debt service. System rates are reviewed annually by the sewer and water advisory board and approved by City Council.

Statements relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances. A revenue summary chart and a description of the major sources of revenue to the sewer enterprise fund are provided below.

SEWERAGE AND DRAINAGE REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2000-2003				
REVENUE SUMMARY	2000 Actual	2001 Actual	2002 Estimated	2003 Proposed
Service Charges:				
Standard Strength	\$ 105,807,781	\$ 107,216,475	\$ 107,836,000	\$ 113,452,458
Extra Strength	-	153,215	-	-
System Capacity Charges	7,202,096	7,981,646	7,373,000	7,446,730
Investment Income	3,826,166	3,185,382	3,848,000	3,925,330
Storm Maintenance Reimbursement	8,500,768	7,983,719	8,500,000	8,500,000
Other (Includes refunds)	2,553,468	3,122,353	3,220,000	4,950,196
Cash Balance	65,185,675	69,038,864	67,106,450	61,349,424
Encumbrance Cancellations	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 193,075,954</b>	<b>\$ 198,681,655</b>	<b>\$ 197,883,450</b>	<b>\$ 199,624,138</b>
PERCENT CHANGE		2.90%	-0.40%	0.88%

*Revenue Notes:*

- Revenues, excluding the beginning balance, will total \$138.3 million in 2003, or 5.7 percent more than the 2002 projection.
- The Storm maintenance reimbursement is \$8.5 million in 2003, the same as projected for 2002.

**Sewer Pro Forma Operating Statement**

Presented below is a ten-year pro forma operating statement for the sewerage system enterprise operating funds, reflecting sanitary sewer operations only. A separate pro forma statement for storm sewer operations is presented later in this document. Represented is a projection of the sewerage and drainage operating fund revenues and expenditures on a cash basis for the period 2003 through 2012 given certain assumptions as outlined below. The pro forma operating statement is essential in planning capital improvement programs and in setting utility rates. The major assumptions included are as follows:

- Sanitary sales growth is projected at one percent per year from 2003 through 2012.
- Operations and maintenance expenses, excluding health insurance, equipment, pro rata and the allocation for the director's office, are inflated at three percent per year. All insurance costs reflect current estimates for 2003 and are inflated by seven percent in subsequent years. Personnel costs are inflated at three percent but reduced by \$550,000 in 2004 through 2007. This reduction anticipates the current work of the competitiveness program. Equipment costs are reduced in 2003, flat in 2004 and then held to three percent inflation afterwards. Expenses exclude any transfers to reserves.
- System capacity charges were increased per the plan approved by the sewer and water advisory board through 1996 and are increased at one percent per year prospectively.
- Proposed new debt is issued in the form of bonds at 4.5 percent in 2002, 5 percent in 2003 and 5.5 percent thereafter.
- Interest rates on revenue fund investments are projected to be three percent in 2003 to 2012.
- Estimated debt service on Ohio Water Development Authority (OWDA) low-interest loans of \$263.0 million has been included within the appropriate debt schedules. Use of these low-interest loan monies decrease the debt retirement expenses associated with sanitary sewers projects.
- The sewer and water advisory board has recommended an across-the-board sewer rate increase of five percent for 2003.
- The Division of Sewerage and Drainage's 2003 capital improvements budget (CIB) of \$55.7 million has been reduced by 15 percent in the pro forma statement, and future years' debt service is reflected at 85 percent of the division's capital improvements plan through 2012. This reduction recognizes the likelihood that actual debt issuance in any given year will not reach levels outlined in the capital improvements budget because of unavoidable lags in the project planning and implementation process.
- The Division of Sewerage and Drainage's pro forma statement also assumes that all debt will be issued during the second half of the year. Therefore, debt issued in 2003 results in no interest expense until 2004. The same is true for subsequent issues and subsequent years' expenditures.
- The pro forma statement assumes debt issuance amounts of \$61.8 million in 2002, \$47.4 million in 2003, \$104.2 million in 2004, \$113.7 million in 2005,

\$52.7 million in 2006, \$202.1 million in 2007, and \$85.7 million in 2008, and \$102.7 million per year from 2009 through 2012. Note that these amounts reflect the capital improvements plan after the above-described discounts. At the time of budget publication, the division was in the process of applying for loans. Thus, the amount of debt to be issued for Sewers and Drains was yet to be determined and could be less than projected herein. The figures presented are only estimates.

# Enterprise Funds

SEWERAGE SYSTEM ENTERPRISE FUND PRO FORMA OPERATING STATEMENT FOR YEARS 2000 - 2012 IN DOLLARS - 000'S OMITTED															
	ACTUAL 2000	ACTUAL 2001	ESTIMATED/PROPOSED		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
BEGINNING CASH BALANCE	\$ 65,186	\$ 69,039	\$ 67,107	\$ 61,350	\$ 48,182	\$ 33,015	\$ 24,137	\$ 15,828	\$ 12,694	\$ 12,068	\$ 10,365	\$ 11,887	\$ 10,365	\$ 11,887	\$ 13,790
UTILITY REVENUES															
Service Charges - Standard / Extra Strength	105,808	107,370	107,836	108,914	115,504	124,825	136,159	148,522	162,758	178,769	195,904	206,273	195,904	206,273	215,627
Service Charge Rate Increase - Standard / Extra Strength	-	-	-	4,538	6,738	8,322	9,077	10,520	11,868	12,663	6,938	6,016	6,938	6,016	-
Interest Income	3,826	3,185	3,848	3,925	4,043	4,164	4,289	4,418	4,551	4,687	4,828	4,972	4,828	4,972	5,122
System Capacity Charge	7,202	7,982	7,373	7,447	7,521	7,596	7,672	7,749	7,827	7,905	7,984	8,064	7,984	8,064	8,144
Other	2,553	3,122	3,220	4,950	3,483	3,552	3,623	3,696	3,770	3,845	3,922	4,001	3,922	4,001	4,081
Reimbursement from Stormwater Fund	8,501	7,984	8,500	8,500	8,755	9,018	9,288	9,567	9,854	10,149	10,454	10,768	10,454	10,768	11,091
TOTAL REVENUE	127,890	129,643	130,777	138,275	146,044	157,477	170,108	184,472	200,628	218,018	230,030	240,094	230,030	240,094	244,065
TOTAL RESOURCES	193,076	198,682	197,884	199,624	194,226	190,492	194,245	200,300	213,322	230,086	240,395	251,981	240,395	251,981	257,855

# Enterprise Funds

SEWERAGE SYSTEM ENTERPRISE FUND PRO FORMA OPERATING STATEMENT FOR YEARS 2000 - 2012 IN DOLLARS - 000'S OMITTED												
ACTUAL 2000	ACTUAL 2001	ESTIMATED 2002	PROPOSED 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>UTILITY EXPENSE</b>												
<b>OPERATIONS &amp; MAINTENANCE</b>												
25,363	26,684	27,431	29,891	30,227	30,584	30,951	31,330	32,270	33,238	34,235	35,262	36,320
3,166	3,908	3,566	4,080	4,366	4,671	4,998	5,348	5,723	6,123	6,552	7,010	7,501
5,570	5,457	5,593	5,184	5,340	5,500	5,665	5,835	6,010	6,191	6,376	6,568	6,765
5,223	5,901	5,502	5,831	6,178	6,681	7,237	7,871	8,585	9,354	9,881	10,320	10,484
22,166	25,851	25,742	28,426	29,278	30,157	31,061	31,993	32,953	33,942	34,960	36,009	37,089
81	139	454	345	355	366	377	388	400	412	424	437	450
3,114	1,806	2,433	4,153	4,755	4,855	5,000	5,145	5,290	5,435	5,580	5,725	5,870
338	506	475	566	588	612	637	662	688	716	745	774	805
65,081	70,020	71,226	79,069	81,088	83,470	85,972	88,624	91,982	95,489	98,852	102,229	105,439
<b>TOTAL OPERATIONS &amp; MAINTENANCE</b>												
<b>DEBT SERVICE</b>												
16,913	16,189	16,606	16,000	15,859	15,654	15,441	15,317	15,275	17,706	18,450	19,148	-
31,356	31,569	31,587	33,387	31,845	25,367	24,194	23,029	20,465	19,350	15,656	12,279	11,709
-	-	-	2,779	8,235	16,196	27,404	35,447	48,343	62,160	70,534	79,519	88,222
10,688	13,797	17,116	20,208	24,184	25,668	25,406	25,189	25,189	25,016	25,016	25,016	25,016
59,957	61,555	65,308	72,373	80,123	82,885	92,445	98,982	109,272	124,232	129,656	135,962	124,947
124,037	131,575	136,534	151,443	161,211	166,355	178,417	187,606	201,254	219,721	228,508	238,191	230,386
<b>TOTAL DEBT SERVICE</b>												
\$ 69,039	\$ 67,107	\$ 61,350	\$ 48,182	\$ 33,015	\$ 24,137	\$ 15,828	\$ 12,694	\$ 12,068	\$ 10,365	\$ 11,887	\$ 13,790	\$ 27,469
0.00%	0.00%	0.00%	5.00%	7.00%	8.00%	8.00%	8.50%	8.75%	8.50%	4.25%	3.50%	0.00%
<b>PROJECTED RATE INCREASE</b>												
6,508	7,002	7,123	7,907	8,109	8,347	8,597	8,862	9,198	9,549	9,885	10,223	10,544
<b>RESERVE REQUIREMENT:</b>												
10% of Operations/Maintenance Costs												
<b>ANTICIPATED DEBT TO BE ISSUED</b>												
<b>CASH BASIS COVERAGE</b>												

# Enterprise Funds

SEWERAGE SYSTEM ENTERPRISE FUND PRO FORMA OPERATING STATEMENT FOR YEARS 2000 - 2012 IN DOLLARS - 000'S OMITTED													
	ACTUAL 2000	ACTUAL 2001	ESTIMATED 2002	PROPOSED 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUE	\$ 127,890	\$ 129,643	\$ 130,777	\$ 138,275	\$ 146,044	\$ 157,477	\$ 170,108	\$ 184,472	\$ 200,628	\$ 218,018	\$ 230,030	\$ 240,094	\$ 244,065
O & M EXPENSE	(65,081)	(70,020)	(71,226)	(79,069)	(81,088)	(83,470)	(85,972)	(88,624)	(91,982)	(95,489)	(98,852)	(102,223)	(105,439)
NET REVENUE	\$ 62,810	\$ 59,623	\$ 59,551	\$ 59,205	\$ 64,956	\$ 74,007	\$ 84,136	\$ 95,848	\$ 108,646	\$ 122,529	\$ 131,178	\$ 137,865	\$ 138,626
ACTUAL/EST. BEG. SYSTEM RESERVE FUND	66,647	66,562	66,562	60,805	47,637	32,469	23,592	15,283	12,150	11,524	9,821	11,344	13,246
O&M EXPENSE RESERVE REQUIREMENT	(6,508)	(7,002)	(7,123)	(7,907)	(8,109)	(8,347)	(8,597)	(8,862)	(9,198)	(9,549)	(9,885)	(10,223)	(10,544)
SYSTEM RESERVE FUND AVAILABLE	60,139	59,560	59,439	52,898	39,528	24,122	14,995	6,421	2,952	1,975	(64)	1,121	2,702
ADJUSTED NET REVENUE	\$ 122,949	\$ 119,183	\$ 118,990	\$ 112,103	\$ 104,484	\$ 98,129	\$ 99,131	\$ 102,269	\$ 111,598	\$ 124,504	\$ 131,114	\$ 138,986	\$ 141,328
REVENUE BOND DEBT SERVICE	16,913	16,189	16,606	16,000	15,859	15,654	15,441	15,317	15,275	17,706	18,450	19,148	-
G.O. DEBT SERVICE (including proposed new debt)	31,356	31,569	31,587	36,165	40,080	41,563	51,598	58,476	68,808	81,510	86,190	91,798	99,931
OWDA DEBT SERVICE	10,688	13,797	17,116	20,208	24,184	25,668	25,406	25,189	25,189	25,016	25,016	25,016	25,016
TOTAL DEBT SERVICE	\$ 58,957	\$ 61,555	\$ 65,308	\$ 72,373	\$ 80,123	\$ 82,885	\$ 92,445	\$ 98,982	\$ 109,272	\$ 124,232	\$ 129,656	\$ 135,962	\$ 124,947
Rate covenant tests:													
COVERAGE RATIO (1.00 REQUIRED)	2.09	1.94	1.82	1.55	1.30	1.18	1.07	1.03	1.02	1.00	1.01	1.02	1.13
ADJ. NET REVENUE vs. TOTAL DEBT SERVICE													
COVERAGE RATIO (1.25 REQUIRED)	7.27	7.36	7.17	7.01	6.59	6.27	6.42	6.68	7.31	7.03	7.11	7.26	N/A
ADJ. NET REVENUE vs. REV. BOND DEBT SERVICE													
Bond reserve requirement test:													
COVERAGE RATIO (1.50 REQUIRED)	7.27	7.36	7.17	7.01	6.59	6.27	6.42	6.68	7.31	7.03	7.11	7.26	N/A
ADJ. NET REVENUE vs. REV. BOND DEBT SERVICE													





## Electricity Enterprise Fund

### 2003 Cash Balance Statement

In 2003, the total volume of electric retail sales, the largest source of revenue in the electricity enterprise fund, is projected to increase by 3 percent over 2002 totals. However, as revenues into the fund fall short of projected expenses, a transfer from the special income tax fund has been included in the 2003 revenue estimate. Discussions of the issues concerning the electricity enterprise fund precede the pro forma operating statement description.

#### 2003 FUND BALANCE SUMMARY

Cash Balance (January 1, 2003)	\$ -
Plus Estimated 2003 Receipts	57,418,799
Plus Kilowatt Hour Tax Revenues	3,247,165
Plus Special Income Tax Transfer	7,459,000
Total Estimated Available Resources	\$ 68,124,964
Less 2003 Recommended Operating Budget (Electricity)	(64,694,797)
Less 2003 Kilowatt Hour Tax Expense (Electricity)	(3,247,165)
Less 2003 Recommended Operating Budget (Administration)	(183,002)
Projected Available Balance (December 31, 2003)	\$ -

### 2003 Revenue Summary

Electricity operating fund revenues fall into two basic categories: revenues from the retail sale of electricity and miscellaneous revenues for specific services (e.g., operation and maintenance of expressway lighting) and investments.

Statements relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances. For that reason, relative percentage change calculations for this fund are based on current year receipts only.

A revenue chart and a description of the major sources of revenue to the electricity enterprise fund are provided below.

ELECTRICITY ENTERPRISE FUND REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2000-2003				
REVENUE SUMMARY	2000 Actual	2001 Actual	2002 Estimated	2003 Proposed
Charges for Electric Service	\$ 46,149,889	\$ 49,961,075	\$ 51,706,447	\$ 53,269,433
Construction Charges	535,740	1,296,870	906,000	824,000
Expressway Lighting/Maintenance	854,744	580,246	1,010,000	880,000
New Customer Installation Revenue	-	196,912	327,000	600,000
Investment Income	478,658	646,979	251,000	388,000
Workers Comp Savings	-	148,094	-	-
Other Revenue	841,338	544,292	1,181,530	1,197,000
Street Lighting Charges	209,187	204,194	217,331	260,366
Kilowatt Hour Tax Revenues	-	1,796,522	3,058,866	3,247,165
Special Income Tax Transfer	5,510,680	2,000,000	5,000,000	7,459,000
Beginning Year Cash Balance	2,318,546	1,247,459	192,540	-
<b>TOTAL RESOURCES</b>	<b>\$ 56,898,782</b>	<b>\$ 58,622,643</b>	<b>\$ 63,850,714</b>	<b>\$ 68,124,964</b>
PERCENT CHANGE		3.03%	8.92%	6.69%

*Revenue Notes:*

- Revenues, excluding the beginning year cash balance, kilowatt hour tax revenues and special income tax fund transfer, are expected to be \$57.4 million in 2003, an increase of 3.3 percent over 2002 estimates.
- Effective May 2001, changes in state law caused the Division of Electricity to pay the proceeds of a kilowatt hour tax to the general fund. In order to avoid a net reduction in revenue to the division, the general fund reimburses the payments to the electricity operating fund. While the overall effect of the tax is neutral, actual revenues in 2001 and all subsequent estimates include the kilowatt hour tax reimbursement from the general fund. Similarly, the offsetting kilowatt hour tax payments to the general fund are included in expense projections.

**Electricity Pro Forma Operating Statement**

During the summers of 1998 and 1999, the Division of Electricity experienced sudden increases in purchase power expenses. During 1998, certain power sources in the Midwest were temporarily disrupted through untimely maintenance and tornado damage. In 1999, the situation was further exacerbated by a severe nationwide heat wave. In 1998 and in 1999, the division passed on a portion of these costs to customers in the form of fuel adjustment charges. To hedge against a recurrence of these levels of purchase power costs, the division entered into contracts to cover most of the peak demand that could be anticipated during the summer months in 2000. During 2000, the division was successful in securing favorable, long-term contracts for its purchase power to meet its needs into the future. For 2003, the projections for purchase power are estimated to be \$36.5 million and are based on a 3.3 percent rate of growth. (Should actual growth exceed division expectations, additional budget authority will be necessary.)

A pro forma operating statement for the electricity enterprise fund is presented on the following pages. The following assumptions were used:

- The operation of the former waste-to-energy facility was shifted to the Solid Waste Authority of Central Ohio as of April 1, 1993, and is no longer considered a part of the division's operations. However, a decision by the City Auditor in 1995 has resulted in the shift of responsibility for revenue debt associated with the facility to the division's operating fund. This pro forma statement assumes that the debt service associated with the revenue bonds for the waste-to-energy facility will require a subsidy from the special income tax fund. (In March 2001, the aforementioned revenue debt was converted into general obligation bonds. Debt service on the new bonds will continue to be serviced by the Division of Electricity.) This pro forma statement, therefore, reflects that expense, as well as the revenues and expenses associated with the division's current objectives: division administration, street lighting and retail distribution.
- The pro forma statement includes Project 2020, the Division of Electricity's plan to light 100 percent of city streets by the year 2020. That objective should be completed without general fund or special income tax support and will be funded with revenues derived from electric retail sales, to the extent possible.
- Project 2020 will move forward in 2003. The Division of Electricity's proposed 2003 through 2008 capital improvements program, as detailed within the capital summary of this document, includes capital expenditures related to Project 2020.
- Most operational expenditures, such as materials, supplies, services, and capital equipment are inflated by three percent annually.
- It is assumed that purchase electrical power costs will average \$40.00 per megawatt hour in 2003.

- Proposed new bonded debt is conservatively projected. It is assumed that such debt will be directly bonded at 5.0 percent in 2003 and 5.5 percent thereafter. Details regarding the proposed capital expenditures are available in the capital summary section of this document.

ELECTRICITY ENTERPRISE FUND													
IN DOLLARS - 000'S OMITTED													
	Actual 2000	Actual 2001	Estimated 2002	Projected 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUE SUMMARY													
Electricity Sales													
Residential A-1	\$ 5,062	\$ 5,306	\$ 5,576	\$ 5,717	\$ 5,888	\$ 6,065	\$ 6,247	\$ 6,434	\$ 6,627	\$ 6,826	\$ 7,031	\$ 7,242	\$ 7,459
Commercial CS-20	464	372	289	298	307	316	325	335	345	356	366	377	388
Commercial CS-22	6,388	6,656	6,590	6,827	7,032	7,243	7,460	7,684	7,914	8,152	8,396	8,648	8,907
Lg. Commercial/Industrial - 23	31,920	35,347	36,651	37,750	38,883	40,049	41,251	42,489	43,763	45,076	46,428	47,821	49,256
New Customers \$\$\$ Increase	0	0	0	0	0	0	0	0	0	0	0	0	0
Lg. Commercial/Industrial - 31	1,866	1,751	2,037	2,098	2,161	2,226	2,292	2,361	2,432	2,505	2,580	2,657	2,737
Commercial F39	450	528	563	580	597	615	634	653	672	692	713	734	756
Total Electric Sales	46,150	49,961	51,706	53,269	54,868	56,514	58,209	59,955	61,754	63,606	65,515	67,480	69,505
Street Lighting Energy	2,632	2,617	2,748	2,885	3,030	3,181	3,340	3,507	3,682	3,867	4,060	4,263	4,476
St Lt Energy Absorbed In House	(2,632)	(2,617)	(2,748)	(2,885)	(3,030)	(3,181)	(3,340)	(3,507)	(3,682)	(3,867)	(4,060)	(4,263)	(4,476)
Expressway Lighting	601	367	756	580	592	603	616	628	640	653	666	680	693
Other Revenues													
Street Lighting Maintenance	1,359	2,189	2,277	2,368	2,462	2,561	2,663	2,770	2,881	2,996	3,116	3,240	3,370
SL Maintenance Absorbed In House	(1,359)	(2,189)	(2,277)	(2,368)	(2,462)	(2,561)	(2,663)	(2,770)	(2,881)	(2,996)	(3,116)	(3,240)	(3,370)
Expressway Maintenance	254	213	254	300	306	312	318	325	331	338	345	351	359
Freeway Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Charges	536	1,297	906	824	849	874	900	927	955	984	1,013	1,044	1,075
New Customer Installation Revenue	-	197	327	600	618	637	656	675	696	716	738	760	783
Investment Earnings	479	647	251	388	388	388	388	388	388	388	388	388	388
Other Charges & Miscellaneous	841	692	1,182	1,197	1,233	1,270	1,308	1,347	1,388	1,429	1,472	1,516	1,562
Total Other Revenue	2,110	3,047	2,920	3,309	3,394	3,481	3,570	3,663	3,758	3,855	3,956	4,060	4,166
Total Operating Revenue before Reimbursement	48,860	53,374	55,382	57,158	58,853	60,598	62,395	64,246	66,152	68,115	70,137	72,219	74,364
Reimbursement of Expenses/Assessment Projects	209	204	217	260	192	183	149	96	69	33	25	13	-
Kwh Tax	-	1,797	3,059	3,247	3,344	3,443	3,546	3,651	3,760	3,872	3,987	4,106	4,228
Total Revenue	\$ 49,070	\$ 55,375	\$ 58,658	\$ 60,666	\$ 62,389	\$ 64,224	\$ 66,090	\$ 67,993	\$ 69,981	\$ 72,020	\$ 74,149	\$ 76,338	\$ 78,592

# Enterprise Funds

ELECTRICITY ENTERPRISE FUND													
IN DOLLARS - 000'S OMITTED													
	Actual 2000	Actual 2001	Estimated 2002	Projected 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENDITURE SUMMARY													
Salaries	\$ 7,549	\$ 7,452	\$ 7,682	\$ 8,550	\$ 9,387	\$ 9,654	\$ 10,102	\$ 10,565	\$ 11,046	\$ 11,591	\$ 12,278	\$ 13,066	\$ 13,589
Purchase Power	32,403	33,007	34,451	36,496	37,420	38,451	39,513	40,607	41,732	42,892	44,085	45,314	46,580
Materials and Supplies	378	485	494	607	625	644	664	683	704	725	747	769	792
Pro Rata	2,195	2,316	2,481	2,555	2,631	2,709	2,790	2,874	2,959	3,048	3,139	3,232	3,329
Services	1,687	2,060	2,200	2,521	2,596	2,674	2,755	2,837	2,922	3,010	3,100	3,193	3,289
Kwh Taxes paid to the State of Ohio	0	0	100	100	100	100	100	100	100	100	100	100	100
AMPO Service Fees A & B	0	0	415	447	460	472	486	499	513	528	543	558	574
Other Disbursements	101	119	175	139	143	147	152	156	161	166	171	176	181
Capital Equipment	446	849	1,221	2,097	2,159	2,224	2,291	2,360	2,430	2,503	2,578	2,656	2,735
Total Distribution Operating Exp before Debt Service	44,758	46,288	49,218	53,511	55,521	57,077	58,852	60,681	62,569	64,563	66,741	69,065	71,170
Distribution G.O. Debt	3,152	3,062	3,080	3,089	2,960	2,630	2,300	2,087	1,703	1,623	1,046	633	425
Street Lighting G.O. debt	2,987	3,028	3,182	2,611	2,389	2,060	1,832	1,629	1,312	1,268	809	468	205
Revenue Debt	4,439	3,934	4,940	5,193	5,434	5,695	6,036	6,388	1,195	0	0	0	0
PU&A Director's Allocation	114	119	154	183	190	198	206	214	223	232	241	250	260
Street Light Assessments	200	203	217	260	192	183	149	96	69	33	25	13	0
Total Expenditures before New Debt Service	55,651	56,634	60,792	64,848	66,687	67,843	69,376	71,096	67,071	67,718	68,862	70,429	72,060
New Distribution Debt Service	0	0	0	23	167	385	460	536	612	687	724	696	668
New Street Lighting Debt Service	0	0	0	8	135	469	784	1,101	1,419	1,732	2,033	2,321	2,596
Total Expenditures	55,651	56,634	60,792	64,878	66,990	68,698	70,620	72,733	69,101	70,137	71,619	73,446	75,324
Kwh Tax Exp Transfer to General Fund		1,797	3,059	3,247	3,344	3,443	3,546	3,651	3,760	3,872	3,987	4,106	4,228
Net Revenue before Transfer from SIT	(6,582)	(3,055)	(5,193)	(7,459)	(7,945)	(7,917)	(8,076)	(8,391)	(2,880)	(1,989)	(1,457)	(1,214)	(960)
Adj for Difference between Budget & Cash													
Beginning Year Cash 1/1	2,319	1,247	193	0	0	0	0	0	0	0	0	0	0
Transfer from SIT	5,511	2,000	5,000	7,459	7,945	7,917	8,076	8,391	2,880	1,989	1,457	1,214	960
Ending Year Cash 12/31	\$ 1,247	\$ 193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Water Operating Fund

### 2003 Cash Balance Statement

The beginning 2003 cash balance of \$29.8 million represents a decrease over 2002 of 20.6 percent.

#### 2003 FUND BALANCE SUMMARY

Cash Balance (January 1, 2003)	\$ 29,831,683
Plus Estimated 2003 Receipts	102,898,549
Total Estimated Available Resources	\$ 132,730,232
Less 2003 Recommended Operating Budget (Water)	(109,872,677)
Less 2003 Recommended Operating Budget (Administration)	(367,015)
Projected Available Balance (December 31, 2003)	<u>\$ 22,490,540</u>

### 2003 Revenue Summary

User fees completely support the operations of the Water Division. Section 120 of the City Charter empowers City Council to establish rates in such amounts as will fully cover the costs of service. Rates are designed to cover operating and maintenance expenses and debt service on all revenue bonds and general obligation debt that have been issued for system purposes. System rates are reviewed annually by the sewer and water advisory board which recommends rates to City Council for approval. The board consists of three city officials and seven consumer representatives.

One of the city's goals in the rate setting process is to avoid steep increases and at the same time to fully meet the needs of the system. In order to achieve this goal, the city first developed a ten-year pro forma operating statement for the system in 1983. On an annual basis, the pro forma statement is updated to reflect current appropriation levels and adjusted for actual revenues and expenditures.

Statements relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances. A revenue summary chart and a description of the major sources of revenue to the water enterprise fund are provided below.

<b>WATER OPERATING FUND REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2000-2003</b>				
<b>REVENUE SUMMARY</b>	<b>2000 Actual</b>	<b>2001 Actual</b>	<b>2002 Estimated</b>	<b>2003 Proposed</b>
Water Sales	\$ 73,533,427	\$ 75,327,626	\$ 74,989,112	\$ 78,894,796
Water Penalty Fees	15,969	428,057	816,038	824,198
System Capacity Charges	13,691,805	12,796,285	10,908,046	10,908,046
Sewer Billings	5,910,338	5,976,189	6,100,000	6,405,000
Meter Service Fee	551,620	599,032	535,356	540,709
Investment Income	3,419,075	3,048,274	2,578,183	1,925,012
Other Revenue	1,110,332	1,689,346	2,049,435	3,400,788
Unencumbered Balance	36,556,593	33,254,608	37,588,434	\$ 29,831,683
Encumbrance Cancellations	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 134,789,159</b>	<b>\$ 133,119,417</b>	<b>\$ 135,564,604</b>	<b>\$ 132,730,232</b>
PERCENT CHANGE		-1.24%	1.84%	-2.09%

*Revenue Notes:*

- Revenues, excluding the beginning cash balance, will total \$102.9 million in 2003, an increase over 2002 of 5.0 percent. The revenue in 2003 does include collections from 2002.
- There is a five percent rate increase projected for 2003.



**Water Pro Forma Operating Statement**

A pro forma operating statement for the ten-year period beginning 2002 is presented on the following pages. The statement is designed to project the utility's revenues and expenditures for that period, given certain assumptions and is essential in planning capital improvement programs and in setting utility rates. The major assumptions included are as follows:

- Water sales growth is projected at one percent per year, based on the ten-year history of water sales growth.
- Operation and maintenance expenses, excluding health insurance, pro rata and the allocation for the director's office, are inflated at three percent per year. Health insurance reflects actual 2003 projections and is inflated by seven percent per year thereafter.
- Proposed new debt is issued in the form of bonds at 4.5 percent in 2002, 5.0 percent in 2003 and 5.5 percent in 2004 through 2012.
- In 1995 and 1996, the City of Columbus issued a total of \$62.8 million in variable rate debt for Water Division capital projects. For purposes of this pro forma statement, the interest rate on that debt is assumed to be 3.5 percent in 2001 and thereafter.
- The system capacity charge revenue is projected at one percent growth per year.
- Interest rates on investments of revenues and reserves are projected to be three percent in 2003 through 2012.
- The sewer and water advisory board has recommended a five percent increase in water rates in 2003.
- The Division of Water's 2003 capital improvements budget (CIB) of \$57.7 million has been discounted by 20 percent. This reduction recognizes the probability that debt issued in any given year will not reach the levels outlined in the division's capital improvements budget due to unavoidable lags in the project planning and implementation process. The CIB ordinance will reflect the division's entire approved plan. The subsequent years of the capital improvements plan are also reduced by 15 percent.
- The pro forma statement assumes debt issuance amounts of \$34.6 million in 2002, \$46.2 million in 2003, \$49.9 million in 2004, \$35.1 million in 2005, \$36.4 million in 2006, \$45.6 million in 2007, and \$31.4 million from 2008 to 2011. Note that these amounts reflect the capital improvements plan after the above-described discount.



WATER ENTERPRISE FUND													
PRO FORMA OPERATING STATEMENT FOR YEARS 2000 - 2012													
IN DOLLARS - 000'S OMITTED													
	ACTUAL 2000	ACTUAL 2001	ESTIMATED 2002	PROPOSED 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
BEGINNING CASH BALANCE	\$ 36,557	\$ 33,255	\$ 37,589	\$ 29,832	\$ 22,491	\$ 16,391	\$ 11,258	\$ 9,576	\$ 10,788	\$ 14,778	\$ 15,270	\$ 13,398	\$ 17,176
UTILITY REVENUES													
Water Sales	73,533	75,328	74,989	75,739	80,321	87,817	96,013	105,700	113,430	119,433	120,627	121,834	123,905
Water Sales Increase	-	-	-	3,156	5,522	6,037	7,201	5,505	4,017	-	-	-	-
Interest Income: Revenues, Reserves & Construction Func	3,419	3,048	2,578	1,925	1,910	1,490	1,249	1,372	1,224	1,237	1,252	1,195	1,309
System Capacity Charges	13,692	12,796	10,908	10,908	11,017	11,127	11,239	11,351	11,464	11,579	11,695	11,812	11,930
Sewer Billing Charges	5,910	5,976	6,100	6,405	6,725	7,062	7,415	7,785	8,175	8,583	9,012	9,463	9,936
Penalties	16	428	816	824	832	841	849	858	866	875	884	892	901
Meter Service Fees	552	599	535	541	546	552	557	563	568	574	580	586	591
Other	1,110	1,689	2,049	3,401	1,842	1,897	1,954	2,013	2,073	2,136	2,200	2,266	2,334
TOTAL REVENUE	98,233	99,865	97,976	102,899	108,715	116,823	126,477	135,147	141,817	144,417	146,250	148,048	150,906
TOTAL RESOURCES	134,790	133,120	135,565	132,731	131,206	133,214	137,735	144,723	152,605	159,195	161,520	161,446	168,082

# Enterprise Funds

WATER ENTERPRISE FUND													
PRO FORMA OPERATING STATEMENT FOR YEARS 2000 - 2012													
IN DOLLARS - 000'S OMITTED													
	ACTUAL 2000	ACTUAL 2001	ESTIMATED 2002	PROPOSED 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
UTILITY EXPENSE													
OPERATIONS & MAINTENANCE													
Personnel	24,584	25,950	27,052	29,644	30,534	31,450	32,393	33,365	34,366	35,397	36,459	37,553	38,679
Insurances	3,204	3,937	3,800	4,061	4,345	4,649	4,974	5,323	5,695	6,094	6,520	6,977	7,465
Supplies and Materials	3,216	3,106	6,413	5,273	5,431	5,594	5,762	5,935	6,113	6,296	6,485	6,680	6,880
Chemicals	6,284	6,486	6,731	8,444	8,697	8,958	9,226	9,503	9,788	10,082	10,384	10,696	11,017
Contractual Services	7,897	7,564	6,762	7,604	7,832	8,067	8,309	8,559	8,815	9,080	9,352	9,633	9,922
Pro Rate	4,501	4,131	4,455	4,955	4,892	5,257	5,691	6,082	6,382	6,499	6,581	6,662	6,791
Electricity	5,002	5,277	5,074	4,645	4,784	4,928	5,076	5,228	5,385	5,546	5,713	5,884	6,061
Data Processing (includes postage)	635	2,361	5,800	3,780	3,893	4,010	4,130	4,254	4,382	4,513	4,649	4,788	4,932
Equipment	2,272	1,526	1,391	1,611	1,659	1,709	1,760	1,813	1,868	1,924	1,981	2,041	2,102
Other	2,058	150	470	120	124	127	131	135	139	143	148	152	157
P/U Director's Allocation	265	269	303	367	378	389	401	413	425	438	451	465	479
TOTAL O & M	59,917	60,758	68,254	70,504	72,569	75,138	77,853	80,610	83,358	86,012	88,723	91,531	94,485
DEBT SERVICE													
Revenue Bond	6,884	6,803	6,925	7,034	7,131	7,278	7,487	7,662	7,799	7,989	8,232	-	-
General Obligation (includes variable rate estimate)	30,936	29,360	29,455	29,934	27,733	26,438	24,719	23,666	20,310	19,501	17,799	16,540	14,101
Proposed New Debt	-	-	-	1,556	6,170	11,890	16,888	20,785	25,148	29,211	32,156	34,987	37,703
Alum Creek Debt	1,204	1,204	1,100	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212
TOTAL DEBT SERVICE	39,023	37,367	37,479	39,736	42,246	46,818	50,306	53,325	54,469	57,913	59,399	52,739	53,016
TOTAL EXPENSE	98,941	98,125	105,733	110,240	114,815	121,956	128,159	133,935	137,827	143,925	148,122	144,270	147,501
Y2K Expense/certificates against reserves	(2,594)	2,594											
ENDING FUND BALANCE	\$ 33,255	\$ 37,589	\$ 29,832	\$ 22,491	\$ 16,391	\$ 11,258	\$ 9,576	\$ 10,788	\$ 14,778	\$ 15,270	\$ 13,398	\$ 17,176	\$ 20,581
PROJECTED RATE INCREASE	0.00%	0.00%	0.00%	5.00%	8.25%	8.25%	9.00%	6.25%	4.25%	0.00%	0.00%	0.00%	0.00%
10% of Operations/Maintenance Costs	\$ 5,992	\$ 6,076	\$ 6,825	\$ 7,050	\$ 7,257	\$ 7,514	\$ 7,785	\$ 8,061	\$ 8,336	\$ 8,601	\$ 8,872	\$ 9,153	\$ 9,449

WATER ENTERPRISE FUND													
PRO FORMA OPERATING STATEMENT FOR YEARS 2000 - 2012													
IN DOLLARS - 000'S OMITTED													
	ACTUAL 2000	ACTUAL 2001	ESTIMATED 2002	PROPOSED 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
CASH BASIS COVERAGE													
REVENUES	\$ 98,233	\$ 99,865	\$ 97,976	\$ 102,899	\$ 108,715	\$ 116,823	\$ 126,477	\$ 135,147	\$ 141,817	\$ 144,417	\$ 146,250	\$ 148,048	\$ 150,906
CONSTRUCTION FUNDS INTEREST	-	-	(833)	(1,030)	(1,235)	(999)	(911)	(1,085)	(901)	(794)	(794)	(794)	(794)
REVENUES	98,233	99,865	97,143	101,869	107,480	115,824	125,566	134,062	140,916	143,623	145,456	147,254	150,112
GROSS O&M EXPENSES	61,121	61,962	69,354	71,716	73,781	76,350	79,065	81,822	84,570	87,224	89,935	92,743	95,697
PAYMENT TO/FOR OHIO WATER RIGHTS	(1,204)	(1,204)	(1,100)	(1,212)	(1,212)	(1,212)	(1,212)	(1,212)	(1,212)	(1,212)	(1,212)	(1,212)	(1,212)
O&M EXPENSES	59,917	60,758	68,254	70,504	72,569	75,138	77,853	80,610	83,358	86,012	88,723	91,531	94,485
NET REVENUES	38,315	39,107	28,890	31,365	34,911	40,686	47,713	53,452	57,558	57,611	56,733	55,723	55,627
ACT/EST. SYSTEM RESERVE FUND ON JAN. 1	37,171	34,392	36,928	29,172	21,831	15,731	10,597	8,911	10,123	14,113	14,604	12,729	16,508
O&M EXPENSE RESERVE REQUIREMENT	(5,992)	(6,076)	(6,825)	(7,050)	(7,257)	(7,514)	(7,785)	(8,061)	(8,336)	(8,601)	(8,872)	(9,153)	(9,449)
SYSTEM RESERVE FUND AVAILABLE	31,179	28,316	30,103	22,122	14,574	8,217	2,812	850	1,787	5,512	5,732	3,576	7,060
ADJUSTED NET REVENUES	\$ 69,494	\$ 67,423	\$ 58,992	\$ 53,486	\$ 49,485	\$ 48,903	\$ 50,525	\$ 54,302	\$ 59,345	\$ 63,123	\$ 62,465	\$ 59,299	\$ 62,687
REVENUE BOND DEBT SERVICE	\$ 6,884	\$ 6,803	\$ 6,925	\$ 7,034	\$ 7,131	\$ 7,278	\$ 7,487	\$ 7,662	\$ 7,799	\$ 7,969	\$ 8,232	\$ -	\$ -
G.O. DEBT SERVICE (including proposed new debt)	30,936	29,360	29,455	31,490	33,903	38,328	41,607	44,451	45,458	48,712	49,955	51,527	51,804
PAYMENT TO/FOR OHIO WATER RIGHTS	1,204	1,204	1,100	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212
TOTAL DEBT SERVICE	\$ 39,024	\$ 37,367	\$ 37,480	\$ 39,736	\$ 42,246	\$ 46,818	\$ 50,306	\$ 53,325	\$ 54,469	\$ 57,913	\$ 59,399	\$ 52,739	\$ 53,016
Rate covenant tests:													
COVERAGE RATIO (1.00 REQUIRED)													
ADJ. NET REVENUES vs. TOTAL DEBT SERVICE	1.78	1.80	1.57	1.35	1.17	1.04	1.00	1.02	1.09	1.09	1.05	1.12	1.18
COVERAGE RATIO (1.25 REQUIRED)													
ADJ. NET REVENUES vs. REV. BOND DEBT SERVICE	10.10	9.91	8.52	7.60	6.94	6.72	6.75	7.09	7.61	7.90	7.59	N/A	N/A
Bond reserve requirement test:													
COVERAGE RATIO (1.50 REQUIRED)													
ADJ. NET REVENUES vs. REV. BOND DEBT SERVICE	10.10	9.91	8.52	7.60	6.94	6.72	6.75	7.09	7.61	7.90	7.59	N/A	N/A



## Storm Sewer Maintenance Fund

### 2003 Cash Balance Statement

Prior to 1993, the storm sewer maintenance special revenue fund was used only to reimburse the sanitary operating fund for stormwater management expenses. No expenditures were made directly out of this fund. This arrangement changed in 1993, when the storm sewer maintenance fund became the operating fund for stormwater management engineering and design. The sanitary fund is still reimbursed for storm sewer maintenance expenses.

The storm sewer maintenance fund will begin 2003 with an unencumbered cash balance of \$10.3 million.

### 2003 FUND BALANCE SUMMARY

Unencumbered Cash Balance (January 1, 2003)	\$ 10,298,368
Plus Estimated 2003 Receipts	20,696,381
Total Estimated Available Resources	<u>\$ 30,994,749</u>
Less 2003 Recommended Operating Budget	(18,723,968)
Projected Available Balance (December 31, 2003)	<u><u>\$ 12,270,781</u></u>

### 2003 Revenue Summary

Stormwater maintenance fees provide all revenues to this fund. In August 1995, the Division of Sewerage and Drainage implemented a new fee structure based on the impervious area of a given property, which directly relates to stormwater runoff into the storm drainage system. The stormwater service fee is based upon an equitable and consistent rate system, defined in equivalent residential units (ERU), where one ERU equals 2,000 square feet of impervious area. The fee, as recommended by the sewer and water advisory board and approved by Columbus City Council, was \$2.44/ERU per month for 1995. During 1995, however, revenues exceeded original projections by nearly 50 percent; a result of higher than projected ERU's, and lower than projected credit applications. For that reason, the sewer and water advisory board recommended a rate decrease for 1996, to \$1.64/ERU per month. In 2000, the stormwater rate increased by 35 percent, after 5 years of no rate increases. It increased by 12.5 percent in 2001, and it increased again in 2002 by 9.6 percent. Statements relative to this fund are made on a cash basis, which do not account for outstanding end of year encumbrances. The following chart summarizes actual and projected revenues for the years 2000 through 2003.

STORM SEWER MAINTENANCE FUND REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2000-2003				
REVENUE SUMMARY	2000 Actual	2001 Actual	2002 Estimated	2003 Proposed
Storm Maintenance Fees	\$ 14,829,187	\$ 17,706,218	\$ 18,975,000	\$ 20,203,131
Investment Earnings	592,744	647,165	400,000	418,472
Other Revenues (includes insurance rebates)	-	-	11,000	74,778
Cash Balance	5,014,694	5,718,915	8,408,079	10,298,368
Encumbrance Cancellations	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 20,436,625</b>	<b>\$ 24,072,298</b>	<b>\$ 27,794,079</b>	<b>\$ 30,994,749</b>
PERCENT CHANGE		17.79%	36.00%	11.52%

*Revenue Notes:*

- There are no unusual items in the 2003 revenues.

**Storm Sewer Maintenance Pro Forma Operating Statement**

- The Storm Sewer Maintenance pro forma operating statement assumes that rates will increase by 5.1 percent to \$2.87/ERU in 2003.
- This pro forma statement assumes that funding for future debt issued for the Franklinton floodwall will be supported through stormwater revenues.
- The division's 2003 capital improvements budget (CIB) of \$32.5 million has been discounted by 20 percent, as are subsequent years. The reduction recognizes the probability that debt issued in any given year will not reach the levels outlined in the division's capital improvements budget due to unavoidable lags in the project planning and implementation process. Floodwall debt has not been discounted.
- The pro forma statement assumes debt issuance amounts of \$5.4 million in 2002, \$26.0 million in 2003, \$23.9 million in 2004, \$21.8 million in 2005, \$14.9 million in 2006, \$11.0 million in 2007, \$6.1 million in 2008 and \$17.3 million from 2009 to 2012. Note that these amounts reflect the capital improvements plan after a 20 percent discount.



# Enterprise Funds

		STORMWATER MANAGEMENT ENTERPRISE FUND													
		PRO FORMA OPERATING STATEMENT FOR YEARS 2000-2012													
		IN DOLLARS - 000'S OMITTED													
		ACTUAL 2000	ACTUAL 2001	ESTIMATED 2002	PROPOSED 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
<b>BEGINNING CASH BALANCE</b>		\$ 6,857	\$ 5,719	\$ 8,408	\$ 10,298	\$ 12,270	\$ 13,731	\$ 13,557	\$ 12,074	\$ 9,855	\$ 7,578	\$ 5,749	\$ 4,270	\$ 2,707	
<b>UTILITY REVENUE</b>															
Storm Maintenance Service Charges	14,829	17,706	18,975	19,318	20,511	21,727	23,038	24,447	25,955	27,482	29,132	30,879	32,736	32,736	
Rate Increase (Decrease)	-	-	-	885	940	996	1,056	1,120	1,190	1,260	1,335	1,415	1,500	1,500	
Investment Earnings	593	647	400	418	612	636	611	502	399	285	334	290	243	243	
Other Revenues	-	-	11	75	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL REVENUES</b>		<b>15,422</b>	<b>18,353</b>	<b>19,386</b>	<b>20,696</b>	<b>22,063</b>	<b>23,359</b>	<b>24,705</b>	<b>26,069</b>	<b>27,544</b>	<b>29,037</b>	<b>30,801</b>	<b>32,584</b>	<b>34,479</b>	
<b>TOTAL RESOURCES</b>		<b>22,279</b>	<b>24,072</b>	<b>27,794</b>	<b>30,994</b>	<b>34,333</b>	<b>37,090</b>	<b>38,262</b>	<b>38,143</b>	<b>37,399</b>	<b>36,615</b>	<b>36,550</b>	<b>36,854</b>	<b>37,186</b>	
<b>UTILITY EXPENSE</b>															
Personnel	1,668	1,656	1,768	2,081	2,164	2,251	2,341	2,434	2,532	2,633	2,738	2,848	2,962	2,962	
Insurances	199	229	221	288	308	330	353	378	404	432	463	495	530	530	
Supplies and Materials	15	14	14	27	28	29	30	30	31	32	33	34	35	35	
Contractual Services	1,319	445	1,141	1,488	1,532	1,578	1,626	1,674	1,725	1,776	1,830	1,885	1,941	1,941	
Pro Rata	710	776	874	952	993	1,051	1,112	1,173	1,239	1,307	1,386	1,466	1,552	1,552	
Equipment	23	0	0	-	-	-	-	-	-	-	-	-	-	-	
Other	705	25	154	55	55	55	55	55	55	55	55	55	55	55	
Reimbursement to Sanitary Enterprise	8,501	7,984	8,500	8,500	8,500	8,755	9,018	9,288	9,567	9,854	10,149	10,454	10,768	11,091	
<b>TOTAL O &amp; M</b>		<b>13,139</b>	<b>11,129</b>	<b>12,671</b>	<b>13,391</b>	<b>13,835</b>	<b>14,312</b>	<b>14,805</b>	<b>15,311</b>	<b>15,840</b>	<b>16,384</b>	<b>16,959</b>	<b>17,551</b>	<b>18,166</b>	
<b>DEBT SERVICE</b>															
Existing unvoted	549	529	510	486	470	449	433	392	363	377	363	344	221	163	
Existing voted	2,872	4,006	4,315	4,603	4,483	4,359	4,224	4,093	3,964	3,837	3,714	3,589	3,457	3,457	
Future debt	-	-	-	244	1,814	4,413	6,726	8,492	9,640	10,282	11,263	12,786	14,261	14,261	
<b>TOTAL DEBT SERVICE</b>		<b>3,421</b>	<b>4,535</b>	<b>4,824</b>	<b>5,333</b>	<b>6,767</b>	<b>9,221</b>	<b>11,383</b>	<b>12,977</b>	<b>13,981</b>	<b>14,482</b>	<b>15,321</b>	<b>16,596</b>	<b>17,881</b>	
<b>TOTAL EXPENSE</b>		<b>16,560</b>	<b>15,664</b>	<b>17,496</b>	<b>18,724</b>	<b>20,602</b>	<b>23,533</b>	<b>26,188</b>	<b>28,288</b>	<b>29,821</b>	<b>30,866</b>	<b>32,280</b>	<b>34,147</b>	<b>36,047</b>	
<b>ENDING CASH BALANCE</b>		<b>\$ 5,719</b>	<b>\$ 8,408</b>	<b>\$ 10,298</b>	<b>\$ 12,270</b>	<b>\$ 13,731</b>	<b>\$ 13,557</b>	<b>\$ 12,074</b>	<b>\$ 9,855</b>	<b>\$ 7,578</b>	<b>\$ 5,749</b>	<b>\$ 4,270</b>	<b>\$ 2,707</b>	<b>\$ 1,139</b>	
<b>PROJECTED RATE INCREASE</b>		<b>35.00%</b>	<b>12.50%</b>	<b>9.50%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	
<b>COST/MONTH/ERU</b>		<b>\$2.21</b>	<b>\$2.49</b>	<b>\$2.73</b>	<b>\$2.87</b>	<b>\$3.01</b>	<b>\$3.16</b>	<b>\$3.32</b>	<b>\$3.49</b>	<b>\$3.66</b>	<b>\$3.84</b>	<b>\$4.03</b>	<b>\$4.23</b>	<b>\$4.44</b>	
ASSUMES base of \$55,500 ERU'S, annual growth of 1% per year	572,332	578,056	583,836	589,674	595,571	601,527	607,542	613,618	619,754	625,951	632,211	638,533	644,918	644,918	
5% of Operations/Maintenance Costs	\$ 657	\$ 556	\$ 634	\$ 670	\$ 692	\$ 716	\$ 740	\$ 766	\$ 792	\$ 819	\$ 848	\$ 878	\$ 908	\$ 908	

